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E.O. 11652: N/A

TAGS: PINT ELAB DA

SUBJECT: DANISH TRADE UNION FEDERATION CLASHES WITH SOCIAL
DEMOCRATS OVER ECONOMIC COMPROMISE

REF: COPENHAGEN 2841 AND 2750

SUMMARY: DANISH TRADE UNION FEDERATION (LO) PRESIDENT THOMAS
NIELSEN DENOUNCED THE SOCIAL DEMOCRATIC ECONOMIC COMPROMISE
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AT PARTY'S ANNUAL MEETING LAST WEEKEND. HE DID NOT, HOWEVER,

BREAK HIS TIES WITH THE PARTY. PRIME MINISTER JORGENSEN WAS VISIBLY ANGERED BY NIELSEN'S REJECTION OF THE SOCIAL DEMOCRATIC MINORITY GOVERNMENT'S ECONOMIC AGREEMENT. THE DEPTH AND DURATION OF THE FIGHT BETWEEN THE LO AND THE PARTY WILL BECOME CLEARER IN THE COMING MONTHS. END SUMMARY

1. IN UNCOMPROMISING THE BITTER WORDS, THE DANISH TRADE UNION FEDERATION (LO) PRESIDENT, THOMAS NIELSEN, REJECTED THE ECONOMIC COMPROMISE OF THIS PARTY'S MINORITY GOVERNMENT AT THE SOCIAL DEMOCRATS' ANNUAL MEETING LAST WEEKEND. CALLING THE ECONOMIC COMPROMISE "ANTI-SOCIAL DEMOCRATIC", NIELSEN CHARGED THE GOVERNMENT WITH CONDUCTING FOR TOO LONG VAGUE NEGOTIATIONS WITH THE OTHER PARLIAMENTARY PARTIES ON THE ECONOMIC MEASURES NECESSARY TO PUT DENMARK'S ECONOMY IN ORDER. THE RESULT WAS, HE SAID, THAT SOCIAL DEMOCRATIC OBJECTIVES HAD BEEN SOLD OUT REGULARLY FOR TOO LONG A TIME. NIELSEN COMMENTED THAT THE TRADE UNION MOVEMENT HAD NOT JOINED THE RANKS OF THOSE WHO WERE ANGRY BECAUSE THE GOVERNMENT DID NOT CARRY THROUGH SOCIAL DEMOCRATIC POLICY; IT RECOGNIZED THAT ONLY 29 PERCENT OF PARLIAMENT WAS SOCIAL DEMOCRATIC. INSTEAD, THE LO HAD DECLARED ITSELF READY TO PARTICIPATE IN AN INCOMES POLICY TO HELP SOLVE THE COUNTRY'S ECONOMIC PROBLEMS. BUT WHAT HAD BEEN PRODUCED WAS CLEARLY A "BOURGEOISE ECONOMIC COMPROMISE" WHICH PLACED THE GREATEST SACRIFICES ON THE BACKS OF THE WORKERS AND DID NOT CONTAIN THE ELEMENTS THE LO CONSIDERED INDISPENSABLE IN AN INCOMES POLICY. THE BURDENS HAD NOT BEEN DISTRIBUTED EQUALLY; A FULL EMPLOYMENT POLICY HAD NOT BEEN STAKED OUT AND NO ELEMENT OF "ECONOMIC DEMOCRACY" HAD BEEN INCLUDED, NIELSEN CHARGED. MOREOVER, THE LO HAD BEEN PLACED IN THE MOST DIFFICULT NEGOTIATION POSTURE EVER, WITH ONLY 2 PERCENT WAGE INCREASES TO BARGAIN OVER, ON THE EVE OF THE BEGINNING OF NATIONAL CONTRACT NEGOTIATIONS. AND SO THE THING HAD GONE AS THE LO HAD PREDICTED SOME TIME BACK WHEN ITS PREFERENCE FOR ELECTIONS HAD BEEN AIRMED. A CRISIS POLICY HAD BEEN ACCEPTED AND THE WAGE EARNER WOULD PAY FOR IT.

2. NEVERTHELESS, CONTINUED NIELSEN, A BREAK WITH THE LIMITED OFFICIAL USE

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SOCIAL DEMOCRATIC PARTY WAS NOT DESIRED BY THE LO - ON THE CONTRARY. THE BALANCE IN PARLIAMENT WAS THE VOTERS' OWN FAULT AND THEREFORE, IN THE FUTURE, THE VOTERS OUGHT TO TURN AWAY FROM THE PROTEST VOTES THEY HAD GIVEN TO GLISTRUP'S PROGRESS PARTY AND OTHERS AND VOTE IN A POSITIVE WAY FOR THE PARTY WHICH STROVE FOR THE OBJECTIVES THEY DESIRED. THE WORKING MAN "STILL" BELIEVED THE SOCIAL DEMOCRATIC PARTY

DESERVED HIS FULL SUPPORT AND HE MUST GIVE IT SUPPORT
AT THE POLLS SO THAT HE WOULD NEVER AGAIN BE FACED WITH
A "BOURGEOISE CRISIS COMPROMISE". NIELSEN CONCLUDED BY
SAYING THAT A MINORITY GOVERNMENT HAS TO COMPROMISE -
BUT NOT AT ANY PRICE, AND FROM THE LO'S POINT OF
VIEW THE GOVERNMENT HAD MADE ONE COMPROMISE TOO MANY.
EVEN IF ONE HAS AUTHORITY TO SELL OUT, HE NOTED, THERE
IS NO SENSE IN SELLING OUT THINGS OBTAINED THROUGH
YEARS OF EFFORT. "THE FIRE SALE WE ARE INVOLVED IN NOW
MUST BE THE LAST", NIELSEN CONCLUDED.

3. PRIME MINISTER ANKER JORGENSE WAS CLEARLY ANGERED
BY NIELSEN'S BLUNT REJECTION OF THE RATIONALIZATIONS
JORGENSEN HAD GIVEN JUST BEFORE FOR THE PARTY'S PARTICIPA-
TION IN THE ECONOMIC COMPROMISE. HE HAD POINTED TO THE
SMALL NUMBER OF SEATS HELD IN PARLIAMENT BY THE SOCIAL
DEMOCRATS, THE SERIOUS ECONOMIC SITUATION OF THE COUNTRY
AND EXPRESSED HIS JUDGMENT THAT A LIBERAL GOVERNMENT,
WHICH COULD HAVE BEEN THE RESULT HAD HE CALLED FOR
ELECTIONS, MIGHT HAVE DEALT MORE HARSHLY WITH THE WORKERS
THAN DID THE PRESENT ECONOMIC COMPROMISE. ALTHOUGH IT
DID NOT CONTAIN ELEMENTS OF ECONOMIC DEMOCRACY, THE PARTY
HAD NOT GIVEN UP ON THIS GOAL; AND EVEN IF MANY NEGATIVE
ELEMENTS WERE CONTAINED IN THE ECONOMIC COMPROMISE, THERE
WAS AT LEAST A 30 PERCENT SOCIAL DEMOCRATIC INPUT.

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4. COMMENT: THE PARTY LEADER'S ARGUMENTS IN SUPPORT OF THE SOCIAL DEMOCRATIC GOVERNMENT'S CONDUCT WERE PRESENTED IN A DEFENSIVE WAY, ALMOST AS THOUGH HE HIMSELF WAS ASHAMED OF THE CHOICES THE PARTY HAD MADE. SINCE NIELSEN'S REJECTION OF THESE ARGUMENTS, THERE HAS BEEN A MAJOR EFFORT TO TAR HIM WITH THE BRUSH OF INTEMPERANCE AND HE HAS BEEN CHARGED WITH EXPRESSING HIS REJECTION OF THE WAGE PARAMETERS CONTAINED IN THE ECONOMIC LIMITED OFFICIAL USE

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COMPROMISE AND HIS DISSATISFACTION WITH THE PARTY TOO VIGOROUSLY. AND PARTY LEADERS ARE NOW GOING AROUND CLAIMING HE IS NOT SUPPORTED BY THE RANK AND FILE.

5. THERE IS NO QUESTION THAT NIELSEN'S WORDS WERE IN PART MEANT FOR THE GALLERY AND HE HIMSELF SAID THEY WOULD HELP SDP MEMBERS IN THE LO SQUELCH THE ATTACKS OF THE COMMUNISTS IN THE TRADE UNION MOVEMENT, WHO HAVE DENOUNCED STILL MORE STRONGLY THE COMPROMISE. BUT EVEN THOUGH THERE IS A FEELING IN THE COUNTRY THAT THE DANES HAVE BEEN LIVING TOO HIGH ON THE HOG - AND THIS FEELING IS SHARED BY THE TRADE UNIONISTS - THE ECONOMIC COMPROMISE THRUST UPON THE UNIONS (HITTING PRIMARILY THE WORKING MAN) COULD NOT BE TOLERATED BY THE LO. THE THREAT TO LEGISLATE THE NATIONAL COLLECTIVE AGREEMENT SCHEDULED TO GO INTO EFFECT NEXT MARCH, IF THE UNIONS DO NOT STAY WITHIN THE WAGE GUIDELINES LAID DOWN IN THE AGREEMENT, WITHOUT A SWEETENER MADE IT IMPOSSIBLE FOR NIELSEN TO ACCEPT THE ECONOMIC AGREEMENT. AND, HE REJECTED IT WITH FULL BACKING OF THE LO'S EXECUTIVE COMMITTEE.

6. DURING THIS WEEK, HE FOUND HIMSELF FORCED TO EMPLOY

THE SAME VIGOROUS AND CRITICAL LANGUAGE AT CONGRESSES OF SOME OF THE LO'S CONSTITUENT UNIONS. HIS ATTEMPTS TO MODERATE HIS ATTACK ON THE ECONOMIC COMPROMISE WERE SUBMERGED BY THE EVEN STRONGER PHRASES USED BY MEMBERS OF THESE UNIONS AND HE FOUND HIMSELF COMPELLED TO RESUME THE HARSHLY CRITICAL STANCE HE EMPLOYED AT THE SOCIAL DEMOCRATS' ANNUAL MEETING.

7. THE QUESTION OF HOW FAR THE LO'S DISSATISFACTION WILL TAKE THEM IN THIS CLASH WITH THE "MOTHER PARTY", THE FIRST OF THIS KIND IN A CENTURY, WILL IN PART BE ANSWERED AT THE LO MEETING SEPTEMBER 21 WHEN TACTICS FOR THE NATIONAL CONTRACT NEGOTIATIONS WILL BE DECIDED. BUT THE FINAL ANSWER WILL COME IN THE COURSE OF THE NEXT SIX MONTHS WHEN THE GOVERNMENT MAY BE FORCED TO LEGISLATE NATIONAL CONTRACT TERMS IN ORDER TO COMPLY WITH ITS COMMITMENTS TO THE OTHER PARTIES IN THE ECONOMIC COMPROMISE OR CHOOSE TO GO TO THE VOTERS

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AGAIN. THE ATTITUDE OF THE LO WILL BE OF GREAT IMPORTANCE TO THE PARTY IN MAKING THIS CHOICE. THE MOST RECENT POLL, RELEASED AT THE TIME OF THE SOCIAL DEMOCRATS' ANNUAL MEETING, SHOWED THAT SINCE THE AUGUST COMPROMISE THE MIDDLE PARTIES (INCLUDING THE SOCIAL DEMOCRATS) WHICH HAD PARTICIPATED IN THE COMPROMISE HAD LOST FAVOR WITH THE VOTERS TO THE ADVANTAGE OF THE EXTREMIST PARTIES OF THE RIGHT AND LEFT. GLISTRUP'S PROGRESSIVE PARTY ON THE RIGHT HAD RISEN IN THE VOTERS' FAVOR FROM 13.6 TO 20.5 PERCENT TO BECOME THE COUNTRY'S SECOND LARGEST PARTY; THE PARTIES ON THE EXTREME LEFT HAD GAINED 6.5 PERCENT FROM THEIR PREVIOUS 11.3 PERCENT. MANY OF THESE SWING VOTES COME FROM TRADE UNION MEMBERS.

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